Risk Disclosure Statement

Customers should be aware that the Manager might invest in fixed income securities, equities, money market instruments and collective investment schemes. Depending on the underlying securities and investment strategy, the investments will be exposed to the following significant risks:

- **Investment risk**: Past performance may not be a reliable guide to future performance. The value of the underlying investments and the return derived from them can fluctuate and go down as well as up. There can be no assurance, and no assurance is given, that the portfolio will achieve its investment objectives. There is also no guarantee of repayment of capital.

- **Market risk**: Risks that affect the entire equity markets, including investor sentiment, economic impacts, regulatory conditions, political and catastrophic events.

- **Emerging-market risk**: The Manager might invest in equities and fixed income securities across emerging markets, thereby providing exposure to emerging markets that tend to be more volatile than developed markets, and its value could move sharply up or down. Political risks and adverse economic circumstances are more likely to arise, putting the value of the Customer's investment at risk.

- **Single-country/sectorial risk**: The Manager may invest in securities that may have concentrated holdings in a single country or sector, and thus may have greater exposure to the market, political, legal, economic and social risks of that particular country or sector than securities that diversify country risk across a number of countries. As a result, the value of the single-country or-sectorial securities may be more volatile than securities that diversify across a larger number of countries or investments.

- **Volatility risk**: The price of investments in the Portfolio may vary, sometimes markedly and over a short period of time. Generally, the higher the potential return, the higher the risk and the greater the chance of substantial fluctuations in returns over a short period of time. In particular, investments in equity securities are traditionally towards the higher end of the risk-return spectrum. This may lead to fluctuations in the value of the Portfolio, including fluctuation over the period between a withdrawal request being made and the time of payment. Markets are volatile and indeed volatility in some markets can often be very high.

- **Currency risk**: The risk that fluctuations in exchange rates may cause the value of international investments to decline significantly.

- **Currency-hedging risk**: The Manager may invest in securities with a currency-hedged share class. While potentially reducing the currency risks to which the funds would otherwise be exposed, currency-hedging instruments may involve the risk of default by a counterparty (counterparty risk).

- **Interest rate risk**: Movements in domestic and international interest rates may cause the value of the Portfolio to decline.

- **Implementation risk**: The performance of the Portfolio may differ from the performance of the relevant portfolio due to a number of factors such as cash flows, liquidity of instruments, portfolio reweighting and timing differences.

- **Investment manager risk**: The risk that the Manager will not achieve the performance objectives or produce returns that compare favourably against its peers. Additionally, there is the risk that the Manager's investment strategy may not prove to be effective. Many factors can negatively impact the Manager's ability to generate acceptable returns from its investment management process, including the loss of key staff. Furthermore, Portfolios may be discontinued, altered or terminated.

- **Counterparty risk**: The risk of loss due to a counterparty not honouring a commitment, which may cause the value of the Portfolio to fall. Counterparties include custodians, brokers and settlement houses.

- **Fixed income securities and downgrade risk**: The Manager may invest in fixed income securities. Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The Manager may also invest in fixed income securities that are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed income securities, while a decline in interest rates will generally increase the value of fixed income securities. The performance of the Portfolio will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns while attempting to minimise the associated risks to investment capital. Fixed income securities are also exposed to the risk of being downgraded, which can cause a significant drop in the value of the Portfolio.

- **Credit and sovereign debt risk**: The Manager may invest in government/sovereign and corporate fixed income securities. Investment in sovereign debts issued or guaranteed by governments as well as corporate-issued securities involves a high degree of risk as default can occur if the government or corporate entity is not able or willing to repay the principal and/or interest when due.